

2017 Group Amendment to the Cabinet's proposed 2020/21 Budget

For Consideration at Full Council 13 February 2020

Purpose of report

- To present to Full Council one proposed amendment from the 2017 Group to the budget recommended by Cabinet on 30 January 2020, with officers' technical comments on the impact to the budget.

Background

- The proposals are set out below:

Amendment : Investing in reducing global warming

2017 Group Budget Amendment Proposals 2020/21	Amendment 1	
	£	£

Capital investment in the following areas:

- LED Streetlighting** – to extend the Cabinet's proposals and divert a further £1 million in 2020/21 to install c4,300 more LED lights into the existing County Council stock of street lights. This is forecast to save £50,000 of revenue in-year and a recurring £100,000 revenue saving for the following year (2021/22) on the current set tariffs and usage. The revenue saving to be invested as below.

1,000,000
- To invest in an audit of the Council's properties to access and draw up proposals to ensure that the Council's own buildings (excluding schools) will be carbon neutral. It is envisaged and hoped that the funding to carry out the proposals will come from the savings in the energy cost/budgets currently in place for those buildings, as well as grant opportunities.

50,000

[NB For **2021/22** it is anticipated that additional savings as realised from the Street lighting LED initiative would be **diverted to Youth Services**; this would be £100,000 per annum all things being equal.]

Total Capital 2020/21	1,000,000	
Total Revenue 2020/21		50,000

One-off investment funded from the following areas:

Capital

To amend the Cabinet's proposals as set out at paragraph 5.7 of the Cabinet report that propose an increase in Highways spend by £6 million to £5 million, thus making available £1m within the current borrowing and investment envelopes.

(1,000,000)

Revenue

Use of the anticipated savings from the increased LED conversion, as a part year affect in 2020/21 arising from the Capital amendment set out above.

(50,000)

Total Capital Funding 2020/21	(1,000,000)
Total Revenue Funding 2020/21	(50,000)

3. As noted above the intention is that future year savings (2021/22 onwards) arising from the full impact of the LED conversion would be directed to fund additional Youth Services. This would be moved as part of the setting of that year's budget.

Financial technical comments

4. The proposals balance and do not impact on the net base budget proposed in the original paper to Cabinet.
5. The amendment assumes that the savings arising from replacing more street lights with LED bulbs is on the current agreed tariff from 1st April 2020 and at the current usage (KwH). It is not assumed that a full year saving can be achieved in year one as there will be a period of replacement. As this has not been debated and thus not scheduled a half year saving has been assumed only for 2020/21, this figure could change dependent on any programme of delivery.
6. The assumed savings in future years would be recurring, all things being equal, but would need to be reviewed as tariff prices are set. As these are currently set 1st April 2020 to 31st March 2022 that would yield a risk for 2022/23, however the use of these funds to fund recurring spend would be possible subject to a review of any change in tariffs. One way to mitigate this maybe a further street lighting usage review, but that could be carried out in 2022.

Monitoring Officer technical comments

7. The proposals do not appear to impact adversely on the statutory duties of the Section 151 Officer or the Head of Paid Service, or any other statutory requirements set out in the Cabinet report. Council is responsible for setting the Budget; the executive (Cabinet) is responsible for discharging executive functions as it thinks fit within those budgetary limits.

Head of Paid Service technical comments

8. As Head of Paid Service, I can confirm that officers have provided independent technical advice.
9. We are aware of the full details of 2017 Group's amendments as set out and consider the proposals are intra vires, and do not impact adversely on the Cabinet's budget recommendations as they would not change the net budget requirement, the level of Council Tax or reserves proposed.

Conclusion

10. Council is able to consider the amendment.